Weekly Economic Review

Weekly earnings hold steady

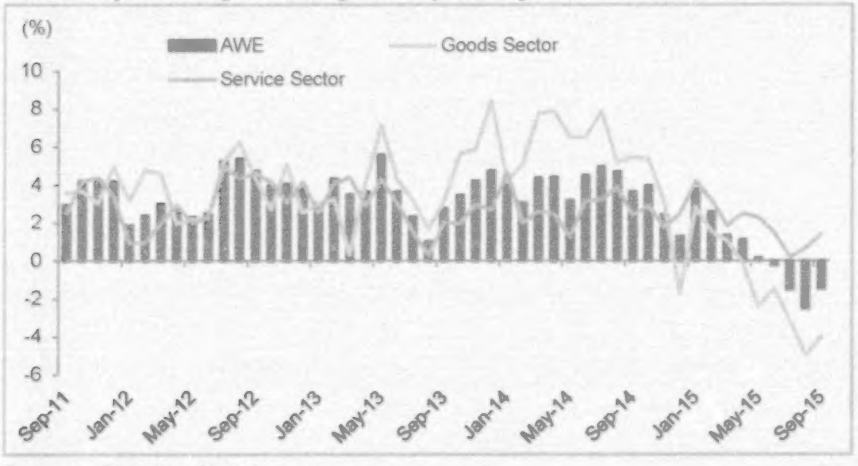
Average Weekly Earnings

Earnings increase after seven month contraction

Alberta average weekly earnings (AWE) rose 0.6% month-over-month (m/m) in September to $1,136, after declining for seven consecutive months. Despite the improvement, earnings remain down by 1.5% compared to the previous year. They received a boost in September from the goods sector, where earnings ticked up 0.6% to $1,577. While earnings in mining oil and gas and utilities improved, those gains were partially offset by continued weakness in construction. Service sector earnings increased by 0.5% to $1,002, supported by increases in administrative and support services and food and accommodations. Year-to-date, earnings were up 0.3%.

Chart 1: Despite monthly uptick AWE remains weak

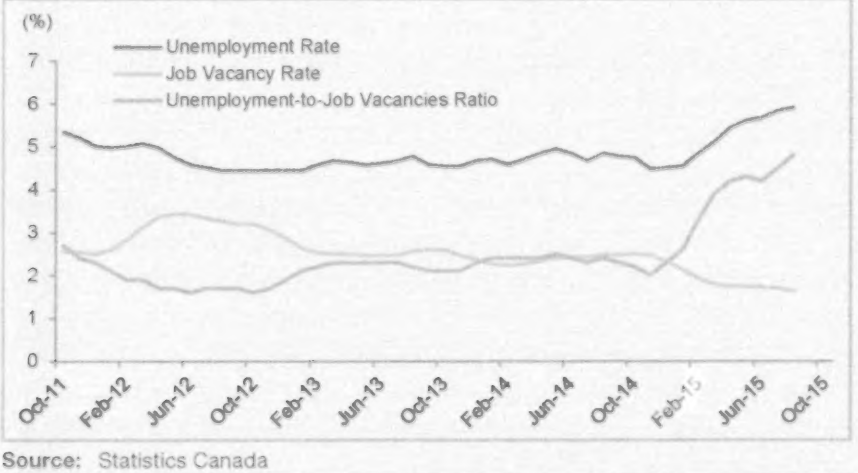
Year-over-year change in average weekly earnings



Source: Statistics Canada

Chart 2: Fewer open positions for job seekers

Alberta labour market indicators (3-month moving average)



Source: Statistics Canada

Average weekly earnings across Canada were up 1% m/m to $955 in September, or 1.7% higher than September 2014. Year-to-date, earnings were up 1.9%.

Job Vacancies

Vacancies continue descent

Over the three months ending in August, the average number of job vacancies averaged 31,700. This reflects a decline of 20,500 vacancies from the peak in October 2014. The job vacancy rate - the proportion of unfilled open positions - held steady at 1.6%, but was down 0.9 percentage points from last year. The unemployment-to-job-vacancies ratio reached a new high at 4.8, due to increasing unemployment and falling job vacancies (Chart 2).

Across Canada, job vacancies averaged 237,200 in the three months ending in August, a decrease of 3,200 vacancies over the same period last year. The job vacancy rate remained a stable 1.6%, unchanged throughout most of the year. The ratio of unemployment-to-job vacancies was 5.8, down slightly from a year prior.

New Motor Vehicle Sales

Sales stay subdued

Albertans continued to hold off on buying new vehicles. There were 23,142 new motor vehicles sold in September, down 13% from a year ago. On a year-over-year basis, new truck sales (including SUVs and vans) have

been weak since January and were down 12% y/y in September. Passenger car sales have also weakened over the past few months, falling 17% y/y. Over the first three quarters of 2015 sales of new vehicles were down 12%.

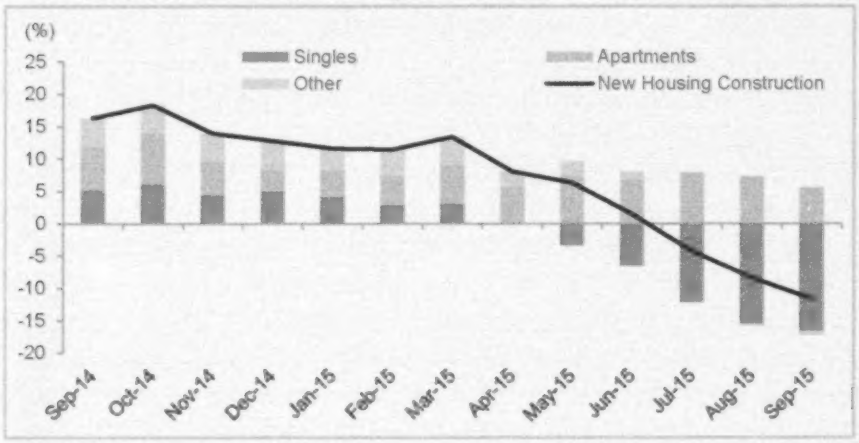
New Housing Construction

Single family homes suppress construction

Alberta new housing construction in September declined 12% year-over-year, the largest drop since July 2011. The weakness was attributable to a 26% y/y decline in single family home construction that brought building activity to the lowest level since 2009 (Chart 3). In contrast, apartment and condominium construction was up 29% y/y. Year-to-date, new housing construction is up 2.2%, buoyed by a 37% increase in apartments building, offsetting a 8.7% YTD decline in single family home construction.

Chart 3: Singles drag down new housing construction

Contibutions to year-over-year change Alberta new housing investment



Source: Statistics Canada

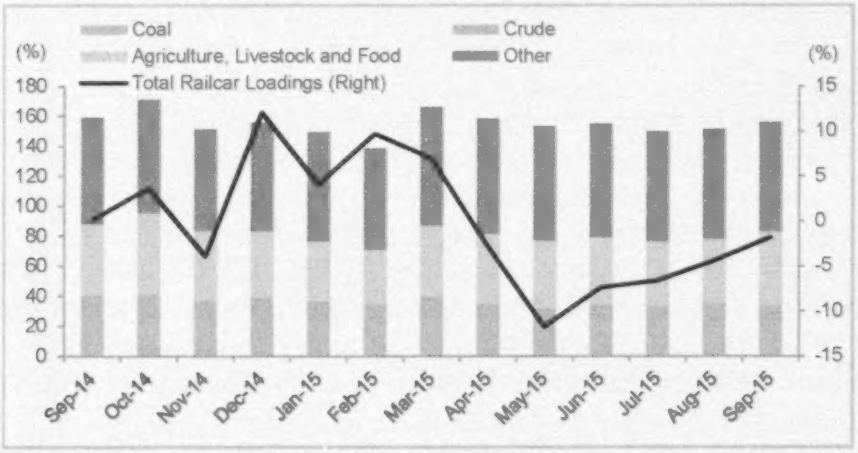
Rail Carloadings

Carloadings hold steady

There were 156,000 railcars loaded in Western Canada during September (Chart 4), up 3.1% m/m. The uptick in carloadings was supported by a 9.4% jump in crude oil. However, record high use of rail transport in 2014 has kept carloadings down 1.8% y/y. Coal loadings continue to trend downwards, falling 13.2% m/m to the lowest level since early 2011, on account of less production and exports. Cars carrying agriculture and food products remained down from strong 2014 levels, apart from vegetables which spiked through the summer after harvest season. Coal, crude, agricultural and food products account for nearly half of all carloadings.

Chart 4: Crude shipments boost railcar loadings

Railcar loadings per month and year-over-year growth



Source: Statistics Canada

Farm Cash Receipts

Livestock boosts farm receipts

Farm cash receipts in Alberta totalled $10 billion over the first three quarters of 2015. This was 6.3% higher than the same period in 2014. Stronger prices have pushed livestock receipts up by 10% year-to-date. Crop receipts remained steady over the first three quarters of the year despite the challenging growing conditions during the summer.

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Please see the *Alberta Economy - Indicators at a Glance* for a snapshot of Alberta indicators.